

Article - Transportation

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§15-311.3.

(a) (1) For a buyer purchasing a vehicle through dealer-arranged financing or leasing before approval of a third-party institution has been received, the following notice shall be provided to the buyer in a separate document and signed by the dealer and the buyer:

“For finance or lease sales: The financing or lease agreement you entered into with the dealer is not final and must be approved by a third-party financial institution. If the terms are approved, the sale cannot be canceled. If the terms are not approved, the dealer must notify you in writing within 4 days of delivery of the vehicle to you, and you or the dealer may cancel this sale. If the sale is canceled, the vehicle delivered to you must be returned to the dealer in the same condition it was given to you, except for normal wear and tear, within 2 days of your receipt of a written notice of the third-party rejection. Unless you and the dealer agree on different terms, any down payment, titling fee, excise tax, dealer processing charge, or any other fee, tax, or charge associated with the transaction, and any trade-in vehicle, in the same condition in which the dealer received the vehicle, will be returned to you immediately and you may not be charged a fee for use of the vehicle that was the subject of the sale. You may not waive any of these rights. If you feel the dealer has failed to comply with the terms of this notice, you may contact the Motor Vehicle Administration or the Consumer Protection Division of the Office of the Attorney General.”.

(2) A copy of the signed notice shall be provided to the buyer before delivery of the vehicle to the buyer.

(b) A dealer shall notify a buyer in writing if the terms of a financing or lease agreement between a dealer and a buyer are not approved by a third-party finance source within 4 days of delivery of a vehicle to the buyer.

(c) (1) If the terms of a financing or lease agreement between a dealer and a buyer are not approved by a third-party finance source, the buyer shall return the vehicle to the dealer in the same condition in which the buyer received the vehicle, except for normal wear and tear, within 2 days of receipt of the notice required under subsection (b) of this section.

(2) If a buyer does not return the vehicle to the dealer as required under paragraph (1) of this subsection, the dealer may repossess the vehicle in accordance with State law.

(d) (1) A dealer and a buyer may agree on new financing or leasing terms on return of a vehicle under subsection (c)(1) of this section.

(2) (i) If a dealer and a buyer do not agree on new financing or leasing terms, the dealer or the buyer may cancel the sale.

(ii) If a sale is canceled under subparagraph (i) of this paragraph, the dealer:

1. Shall return to the buyer:

A. Any trade-in vehicle in the same condition in which the dealer received the vehicle;

B. Any down payment;

C. The titling fee and excise tax paid under Title 13, Subtitle 8 of this article;

D. Any dealer processing charge; and

E. Any other fee, tax, or charge associated with the transaction; and

2. May not charge the buyer a fee for the use of the vehicle.

(e) A dealer shall maintain the required security for the vehicle under § 17–104(b) of this article until the terms of the financing or lease agreement between a buyer and a dealer are approved by a third-party finance source.

(f) A buyer may not waive the rights established under this section.

(g) A violation of this section by a dealer:

(1) Is an unfair and deceptive trade practice under Title 13 of the Commercial Law Article; and

(2) Is subject to the enforcement and penalty provisions contained in Title 13 of the Commercial Law Article.

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